

**IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF PUERTO RICO**

In re:

THE FINANCIAL OVERSIGHT AND
MANAGEMENT BOARD FOR PUERTO RICO,

as representative of

THE COMMONWEALTH OF PUERTO RICO, *et al.*,

Debtors.¹

PROMESA

Title III

No. 17 BK 3283-LTS

(Jointly Administered)

THE FINANCIAL OVERSIGHT AND
MANAGEMENT BOARD FOR PUERTO RICO,

as representative of

THE COMMONWEALTH OF PUERTO RICO,

Plaintiff,

v.

AMBAC ASSURANCE CORPORATION, et al.

Defendants.

Adv. Proc. No. 20-0003-LTS

THE FINANCIAL OVERSIGHT AND
MANAGEMENT BOARD FOR PUERTO RICO,

as representative of

THE COMMONWEALTH OF PUERTO RICO,

Plaintiff,

Adv. Proc. No. 20-0004-LTS

¹ The Debtors in these Title III cases, along with each Debtor's respective Title III case number listed as a bankruptcy case number due to software limitations and the last four (4) digits of each Debtor's federal tax identification number, as applicable, are the (i) Commonwealth of Puerto Rico (the "Commonwealth") (Bankruptcy Case No. 17-BK-3283 (LTS)) (Last Four Digits of Federal Tax ID: 3481); (ii) Puerto Rico Sales Tax Financing Corporation ("COFINA") (Bankruptcy Case No. 17-BK-3284 (LTS)) (Last Four Digits of Federal Tax ID: 8474); (iii) Puerto Rico Highways and Transportation Authority ("HTA") (Bankruptcy Case No. 17-BK-3567 (LTS)) (Last Four Digits of Federal Tax ID: 3808); (iv) Employees Retirement System of the Government of the Commonwealth of Puerto Rico ("ERS") (Bankruptcy Case No. 17-BK-3566 (LTS)) (Last Four Digits of Federal Tax ID: 9686); (v) Puerto Rico Electric Power Authority ("PREPA") (Bankruptcy Case No. 17-4780 (LTS)) (Last Four Digits of Federal Tax ID: 3747); and (vi) Puerto Rico Public Buildings Authority ("PBA") (Bankruptcy Case No. 19-BK-5233-LTS) (Last Four Digits of Federal Tax ID: 3801) (Title III case numbers are listed as Bankruptcy Case numbers due to software limitations).

v.

AMBAC ASSURANCE CORPORATION, et al.

Defendants.

THE FINANCIAL OVERSIGHT AND
MANAGEMENT BOARD FOR PUERTO RICO,

as representative of

THE COMMONWEALTH OF PUERTO RICO,

Plaintiff,

v.

AMBAC ASSURANCE CORPORATION, et al.

Defendants.

Adv. Proc. No. 20-0005-LTS

**GOVERNMENT PARTIES' INFORMATIVE MOTION SUBMITTING PROPOSED
ORDER ON MOTION TO COMPEL**

To the Honorable United States Magistrate Judge Judith G. Dein:

The Financial Oversight and Management Board for Puerto Rico ("Oversight Board"), as representative of the Commonwealth of Puerto Rico ("Commonwealth") pursuant to section 315(b) of the Puerto Rico Oversight, Management, and Economic Stability Act ("PROMESA"), as well as the Puerto Rico Fiscal Agency and Financial Advisory Authority ("AAFAF"), in its own capacity, as successor to the Government Development Bank for Puerto Rico ("GDB") as fiscal agent, and as representative pursuant to Act 2-2017 of the Puerto Rico Department of Treasury ("Treasury"), the Puerto Rico Highways and Transportation Authority ("HTA"), the Puerto Rico Infrastructure Financing Authority ("PRIFA"), the Puerto Rico Convention Center District Authority ("CCDA"), and the Puerto Rico Tourism Company ("Tourism Company") (together,

the “Government Entities”) respectively submit this informative motion pursuant to the Court’s rulings at the March 17, 2021 hearing and the Court’s March 18, 2021 Order (ECF No. 137).²

1. Consistent with this Court’s Order, the Parties met and conferred regarding the form of proposed order concerning the March 17 hearing. The Government Parties exchanged draft proposed orders with Defendants and conferred with them, but after a good faith effort, were unable to agree on certain discrete issues, two of which merit a short explanation provided herein.

2. First, the Government Parties do not agree to the PRIFA-related paragraphs in the Monolines’ proposed order that would require discovery into disclosures from the Commonwealth Financial Statements regarding the first \$117 million of Rum taxes generally, as opposed to the disclosures regarding PRIFA’s Special Revenue Fund and Debt Service Fund as ordered at the March 17, 2021 hearing. *Compare* Defendants’ proposed order at ¶¶ 2(i)-(ii) (ordering discovery into statements concerning the Rum Tax Revenues generally), *with* Hrg. Tr. at 64:6-9 (“I think two specific funds that the defendants have identified, the audit papers which describe and/or explain the nature and content of those funds, and any restrictions placed on the monies therein, need to be produced.”).

3. Second, the Government Parties do not agree to the fifth HTA statement (¶ 4(v)) in Defendants’ proposed order because it is a misstatement of the disclosure cited. More specifically, there is no reference to HTA Excise Taxes on the face of the cited Balance Sheet from the 2013 Commonwealth Financial Statement—it discloses an aggregate figure of all restricted assets in the Commonwealth’s General and Other governmental funds. Because the disclosure referenced is not a representation regarding the HTA Excise Taxes, it is beyond the scope of the discovery

² References to “ECF No. ___” refer to Electronic Case Filing numbers in Case No. 20-00003 unless stated otherwise. Further, unless indicated otherwise, the documents in Case No. 20-00003 that are cited in this Opposition have also been filed in Case Nos. 20-00004 and 20-00005.

allowed at the March 17, 2021 hearing. For the Court's convenience, attached as Exhibit B are the relevant excerpts of the 2013 Commonwealth Financial Statement.

4. Accordingly, the Government Parties are submitting their proposed order, attached hereto as Exhibit A.

WHEREFORE, the Government Parties respectfully request that the Court enter the proposed order attached as Exhibit A.

Dated: March 23, 2021
San Juan, Puerto Rico

/s/ Hermann D. Bauer

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CERTIFICATE OF SERVICE

I hereby certify that on this same date a true and exact copy of this notice was filed with the Clerk of Court using the CM/ECF system, which will notify a copy to counsel of record.

/s/ Luis C. Marini-Biaggi